

**PX 401**

Message

**From:** Brad Garlinghouse [REDACTED]@ripple.com]  
**Sent:** 6/21/2020 1:51:37 PM  
**To:** Breanne Madigan [REDACTED]@ripple.com]  
**CC:** Ron Will [REDACTED]@ripple.com]  
**Subject:** Fwd: [REDACTED] XRP Trust

Hi Breanne,

No hurry on this - but curious to get your reactions?

----- Forwarded message -----

**From:** [REDACTED]@gmail.com>  
**Date:** Sat, Jun 20, 2020 at 10:41 AM  
**Subject:** [REDACTED] XRP Trust  
**To:** Brad Garlinghouse [REDACTED]@ripple.com>

TLDR - I think Ripple should do what it can to support the [REDACTED] XRP trust.

We've been digging in, and making contributions, to the [REDACTED] trusts. This is ultimately owned by [REDACTED], an early stage Ripple investor.

They have a bunch of trusts, but only four are "tradeable" by accredited investors (FINRA approval needed to be tradable). We are in the BTC and ETH trusts. XRP trust exists but isn't tradable on exchanges because it's not approved by FINRA yet.

Two reasons for investors to buy into the trusts. First is you don't need to deal with wallets and crypto. You own a share in a trust (like owning stock), the trust deals with custody. Second is these things have traded at high premiums. ETH currently has an 850% premium, for example. BTC is around 40% and varies widely.

Retail investors get into these, paying the premium, often through retirement accounts. Larger investors can buy directly from [REDACTED] at no premium, but there are holding periods. 6 months for BTC, 1 year for ETH.

Basically it's an arbitrage play for us. We buy in at no premium, hold for 6 or 12 months, sell on open market for the premium price, and then repeat until the arbitrage opportunity is gone.

Here's why Ripple should care about the XRP trust:

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- once assets are contributed to the trust, the trust never sells them. They are off market forever (or until the trust dissolves). Every XRP in the trust is an XRP off the market indefinitely.

- More shareholders in the XRP trust means it's more likely FINRA allows the trust to trade. [REDACTED] is actively looking for XRP contributors, and set the minimum at \$25k (v. \$1m for btc and eth). They are really trying to make it work.

If/when it starts trading like the BTC and ETH trusts, the size of the XRP trust should grow quickly. The more XRP that flows into the trust, the more XRP is taken off the market permanently. And it gives retirees and other smaller retail investors, or larger investors who don't want to handle crypto directly, a way to purchase XRP.

We haven't put any XRP into the trust yet, but are thinking about it and likely to next quarter. But we need to feel confident that there is a path towards liquidity for the trust, like the ETH and BTC trusts.

[REDACTED]

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[REDACTED]